Amendments in Agricultural Products and Marketing Act

3170. DR.T. SUBBARAMI REDDY :
SHRIMATI AMBIKA SONI :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether Government propose to bring a legislation for a change in the existing age old Agricultural Products and Marketing Act;

(b) whether the existing laws have immensely benefited the middle-men rather than farmers for which it was actually framed;

(c) if so, what are the main provisions of the Act that are being changed; and

(d). to what extent, these changes will help farmers rather than middle-men?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) to (d) Organized marketing of agricultural commodities has been promoted in the country through a network of regulated markets. Most of the State Governments/Union Territory Administrations have enacted legislation (APMC Act) to provide for development of agricultural produce markets. It was envisaged that these markets would provide requisite physical facilities and services and thereby create a competitive trade environment offering best of the prices to the producers/sellers.

An Expert Committee set up by this Ministry has reviewed the functioning of regulated markets and in their Report of June, 2001 pointed out that these markets had failed to ensure fair play of trade practices and market forces and suggested several reforms measures including amendment to the APMC Act for development of agricultural marketing in the country. In this connection an inter-Ministerial Task Force set up by this Ministry in its Report of June, 2002 has *inter alia* suggested amendments to the State Agricultural Produce Marketing Regulation Acts for promotion of competitive agricultural markets in private and cooperative sectors, direct marketing and contract farming programmes.

In order to guide the State Governments/UT Administrations in the mplementation of the suggested legislative amendments in the APMC *ct,* a Committee has been set up under the Chairmanship of Additional cretary in the Department of Agriculture and Cooperation to formulate

a model legislation on agricultural marketing. The Committee is in the process of consulting the State Government/UT Administration for finalizing the Model Legislation.

Rationale for increasing the MSP

3171. SHRIMATI BIMBA RAIKAR : Will the Minister of AGRICULTURE be pleased to state :

(a) whether it has been propsed to fix a Minimum Support Price (MSP) for paddy during 2003-04 at Rs. 550/- and Rs. 580/- for two grades;

(b) if so, what is the rationale behind Government's enhancing the MSP for paddy, wheat and sugarcane every year considering that FCI is holding huge unsold stocks of these commodities in its warehouses;

(c) whether a component of Special Drought Relief of Rs. 20/- per quintal is included in the MSP for 2003-04 as in the earlier years; and

(d) who is the beneficiary of this Special Drought Relief Fund—the farmer or Government, as with good monsoons no more drought conditions prevail in the country?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) The Government has already fixed the Minimum Support Price (MSP) for paddy—common and paddy grade 'A' at Rs. 550/- and Rs. 580/- per quintal respectively for 2003-04 season.

(b) The Government decides on the MSP of various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of the State Governments and Central Ministries as well as such other relevant factors which, in the opinion of the Government are important for fixation of support prices.

The Food Corporation of India (FCI) does not procure sugarcane and hence there are no huge unsold stocks of sugarcane in its warehouses.

(c) No, Sir.

(d) Does not arise.

Production of Potato and Onion

3172. SHRI SURENDRA LATH : Will the Minister of AGRICULTUP be pleased to state :